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## **RESTRUCTURING PLAN**

**City of Santa Fe  
October 2009**

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## RESTRUCTURING STRATEGY

### PART 1: THE BIG PICTURE

#### A. Introduction

Restructure is defined by Merriam-Webster as: *to change the makeup, organization or pattern. This is where these efforts have focused, where all involved seemed to find inspiration, on changing the organization for the better.*

The impetus for beginning the restructuring process was to confront the serious budget situation the City was, and may still be, facing. Early on, it became clear that everyone was motivated by the same simple vision, to make a better City government.

It is important to separate this restructuring effort from a contingency plan to address serious economic downturn. The two are connected as the efficiencies put in place through restructuring will reduce the budget over time. However, large budget reductions can only truly be achieved by cutting programs, in other words, substantive budget cuts come from service reductions, not from eliminating duplicative positions or processes. Over time, it will be possible to maintain costs at lower levels while achieving current levels of service through restructuring and efficiencies

Nonetheless, the need for restructuring has become apparent as the process has progressed over the past nine (9) months. Many of the goals, questions and impediments for restructuring have repeatedly emerged, raised by different people at different times. It is widely recognized that the City needs to adapt in a practical, meaningful way. The ideal outcome of restructuring is to remove obstacles and make the city into a modern workplace which promotes efficient, effective and economical operations.

Through the restructuring process many thoughtful questions have been raised:

- What is the central purpose of the City?
- Why do people choose to live in cities?
- How do we differentiate essential services (like public safety) from non-essential activities performed by these departments and divisions?
- How do we bring fresh perspectives and ask hard questions without getting into turf wars and self-interest?
- What perspective should we use in agreeing what services are important (but not necessarily essential) for the community?
- Is it possible to have a “scalable” organization, where staff are brought in to work on specific projects in response to changing conditions and are deployed to different areas as the work demand shrinks?

Restructuring options have been viewed within the context of the Strategic Initiatives adopted by Council as part of the 2006-2007 Budget process as outlined below.

## City of Santa Fe, New Mexico Strategic Initiatives 2006-2007

- Sustainable development and a **Green City**
- Find **new money** for the City of Santa Fe
- Work towards a **unified Santa Fe**
- Ensure **futures** for youth
- Provide for a **safe community**
- **Competent**, customer-oriented **agency**
- **Celebrate** history, culture and people
- Provide affordable **housing**
- Embrace **technology**
- Provide **support** for current services

This restructuring process will use the strategic initiatives outlined by Council. These initiatives will lay the foundation for a plan that will be implemented over time. The process will build upon the restructuring efforts, which have already been implemented in different city departments. The strategy also draws from the ideas generated through the restructuring process and from the lessons and principles put forward by other cities which have undergone similar processes. It will provide common principles, vision, goals, methodology and inspiration to frame the restructuring efforts going forward.

There is still much work to be done. Many of the outcomes described in this plan will mean a change in organizational culture. That will take time and commitment to the change. As the restructuring process continues, it will be used as a means to begin implementing the vision for the future organization. The process will vest staff with authority and accountability. It will crash the boundaries of departments and divisions and promote creative problem solving. It will strive to be practical, efficient, transparent and inclusive. It will seek to build constructive dialogues, ask and answer difficult questions and promote the best possible outcome for all the citizens of Santa Fe.

### **B. Mission:**

To create an efficient, effective and economical organization that provides exceptional services and customer service to the community by cultivating a professional, flexible staff oriented towards creative problem solving.

### **C. Key Values of Future Organization:**

A more responsive and efficient City of Santa Fe has the following key characteristics:

- The staff is flexible and adaptable to new challenges and opportunities.
- There is a professional and respectful working environment that fosters collaboration across boundaries, promotes creative problem solving,

provides all necessary support for staff and encourages appreciation for employee contributions.

- All areas and all levels of the organization are held accountable with measurable outcomes.
- There are clear priorities and resources aligned with those priorities.
- The organization is customer-oriented and respected and valued in the community.
- The organization is forward thinking, values good ideas and is able to take risks in order to achieve goals.

#### **D. Expected Outcomes:**

The following outcomes are expected to be achieved through the restructuring process.

##### **1) Increase Accountability:**

- Flatten the organization and promote responsibility and accountability at all levels.
- Allow for flexibility in how work is accomplished.
- Establish clear priorities and customers for both the City as a whole and each service area within the organization.
- Measure results and make informed decisions. This may include shifting resources to areas that are achieving the desired results and according to organizational priorities.

##### **2) Increase Cost Savings:**

- Promote cost savings and efficient use of resources.
- Do not require layoffs. Use attrition to eliminate positions. Fill needed positions with existing staff.
- Understand the full cost of each city service and program.
- Ensure that the organization lives within its financial means.
- Look at possibilities for generating revenue.

##### **3) Increase Efficiency:**

- Maximize efficiency to minimize service impacts. Eliminate duplicative or overly restrictive practices.
- Streamline cumbersome administrative processes.
- Identify unnecessary, superfluous or outdated services.
- Utilize community partnerships to better accomplish service delivery and efficiency.

#### **E. Guiding Principles:**

Through the restructuring process work will be done according to the vision and methods imagined for the future organization. This will enable staff to use the restructuring process itself as a pilot project.

- Be transparent and inclusive.
- Identify and tackle the actions that will bring the biggest bang for the buck and according to clear priorities.
- Be practical and efficient. Bring fresh eyes to the organization and its processes. Ask the hard questions for all areas of city government.
- Foster collaboration across all boundaries by utilizing multi-disciplinary teams.

- Put functions, not personalities at the core of all restructuring. Ask what each part of the city does, why it's done and who it's done for.

#### **F. Critical Assumptions:**

- There will not be any lay-offs and job duties and job descriptions can be modified to allow staff to perform a wide variety of tasks to complete the work needed for the organization at any given point in time.
- Make internal and external customer service a central value and function of the organization.
- Flexibility of function (which will likely require cross-training) is desirable and necessary for organizational needs and to meet the changing needs of the workforce.
- The need for restructuring exists independent of any immediate need for budget cuts.
- Restructuring must inform and be integrated with budget preparation.
- A universal standard is needed to determine whether positions which become vacant should be filled.

### **PART 2: SERVICE PRIORITIES**

Priorities drive any effort to adjust the City expenditures to match resources whether the City grows or shrinks. Frequently priorities emerge through myriad decisions to add programs and assets without being tied to a larger framework. If cuts are required they are often based on the assumption that the City's service mix and service levels are equally valuable prompting use of across the board reductions. This can work when cuts are not deep or sustained. In last year's budget this approach was modified to classify services in three main categories, each with a different reduction target.

Though this approach was quick, it was also blunt and provided uneven and unsatisfying results. In reviewing the outcome, staff agreed with some Council criticism that the process was so fluid and full of change that it was difficult to compare priorities, understand the reduction targets and be clear on the outcomes that would result from its decisions. Some of the reductions fell heavily on departments that worked hardest to comply with directions to hit budget reduction targets or that had a large number of vacancies due to circumstances unrelated to service priority.

Restructuring and budget management work this year made it clear that the City needs a better framework for describing its priorities and using them to shape budget proposals and options for City Council consideration. Though the strategic initiatives identified in the Fiscal 2006-2007 strategic planning process are still relevant they are relatively narrowly focused.

Those initiatives focus heavily on increasing the competence and accountability of the City organization, on new emphases on youth, sustainability, celebration of the City's

people and culture and affordable housing. Only one initiative, relating to creating a safe community, relates to services typically described as core in discussions about the significant and extended loss of resources expected to result from this recession.

Staff realizes that setting priorities is fundamental to the role of the City Council. To provide a focus for discussions about priorities the following framework for service priority is suggested only as a tool for discussion about priorities. It was derived through the work of the restructuring group and tries to capture important issues relating to setting priorities.

The following suggested categories reflect a discussion framework with priorities listed from highest to lowest, comments about the reasons for the order of priority and prioritization issues that distinguish Santa Fe from other cities in terms of its priorities.

### **Example of service priorities in order of importance**

**Governance** – Governance sits at the core of why cities exist. Cities are created by voters to increase local control of revenues and to exercise police powers. In California, contract cities like Lakewood consist of a Council, City Manager and Attorney and a Finance and Land Use department. Virtually all other services are acquired through contracts with other agencies or private vendors. In many cities, even the City Attorney is a private contractor. At the core of any City are the operation of the democratic process, the ability to make and enforce laws, and the ability to collect and allocate resources. In many cases controlling land use represents the main reason for city formation.

**Public Health and Safety** – Though public safety is used to describe the functions of the Police and Fire Departments it is also clear that street networks, utilities and services are essential to public safety. In addition intended to prevent or mitigate problems, like supporting strong families, providing activities for youth or providing social, health and nutrition programs for seniors work together to create a safe community. Santa Fe has developed a progressive and sophisticated view of public safety and the services that build a safe community.

**Assets and services** – Cities build, buy and maintain extremely valuable capital assets in addition to street and utilities networks including, parks, libraries and recreation centers. In some facilities the City delivers program services to leverage the investment in facilities. These include parks, recreation and community centers, and libraries. Managing these facilities and assets represents a key stewardship responsibility. Delivering services through these facilities represent investments to leverage the value of the facilities for residents, visitors and businesses.

**Community and Neighborhoods** - These services support the efforts of the community to maintain quality of life for the residents and the rich vital cultural mix that defines Santa Fe. Though these services may not have the highest priority in this model many of these services define Santa Fe and distinguish it from other cities. Services that support



and maintain a strong local economy are included here. These include affordable housing, tourism promotion and economic development. In addition development services, arts support, historic preservation, sustainability and green initiatives are intended to strengthen and protect the community and its neighborhoods. Important infrastructure and services like parking, the airport, the convention center and transit services are in this category.

**Community amenities** – These assets or services represent things that are nice to have but not necessarily critical to the nature and values of the community. In Santa Fe this list could be very short. Art, parks and historic preservation are more central to the culture and nature of Santa Fe than in many other communities. The City’s Councils have focused its investments and service expenditures on an integrated program of services that support each other. The total amount spent on “nice to have” things is relatively low. The boundary between expenditures that are classified as related to community support, as opposed to amenities may require further discussion, including discussion about whether some services should be provided by public or private sources.

**Note:** Support services range from those directly associated with governance, asset allocation and stewardship to services provided for efficient and effective operation of services. Support services are not identified as a separate priority. The amount spent on these services should be proportional to the responsibilities for governance, compliance with internal rules and regulations, stewardship and the level of support needed to deliver effective services.

This priority model only provides a framework for thinking about issues of service priority. Its use might imply that a service’s position in the priority ranking would affect both the amount of resources committed and the stability of funding for services. For instance, in Santa Fe, spending on services related to health, safety and asset acquisition and preservation dwarfs the allocation to other priorities.

Specific Council policies that guarantee a minimum level of funding to services, like arts, tourism, economic development, GCCC or quality of life, that are not close the core indicate that there is concern about the general application of a model like this to budget decisions. In addition, the long process of adding service elements and assets over time was often based benefits that complement and support multiple priorities. Programs like libraries and senior centers are important support intellectual pursuits and recreational opportunities but also support educational objectives for youth and efforts to preserve independence and socialization for seniors that are critical to health and longevity.

There are many questions raised by efforts to prioritize services. During its consideration of service priorities the Council may want to focus on questions like the following:

1. How do you address the fact that activities that are considered amenities by many communities are central to the nature of Santa Fe as world leader in art and creative tourism?

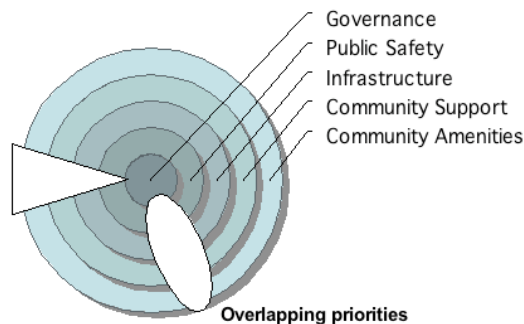


2. How do standards of asset maintenance interact with the delivery of program services in facilities? For instance, “Is it better to have a well maintained park and recreation system with good public access but limited direct program services or to have lower facility standards with more program services?”
3. Are earmarked funding sources desirable during a period of severe budget constraints?
4. How should subsidies for access and services be managed? Are subsidies for development through infrastructure and service fees that do not recover costs an appropriate use of general revenue?

Most important in its discussion of this priority model for the staff would be feedback on the following question.

**Does this model for service priorities make sense are should other values or principles go into priority setting?**

## Municipal priorities



### PART 3: WHAT'S BEEN DONE

Below is a brief summary of the work that has been done on restructuring. Please see each section below for details.

- A. Internal restructuring of Public Works and Housing and Community Development.
- B. Committee and sub-committee work on restructuring effort.
- C. City department and division directors meeting on restructuring effort.
- D. Research into other restructuring efforts.

#### A. Department Restructuring

Both the Housing and Community Development Department and Public Works have already restructured internally. This was done in response to the requirement that 15% of

their General Fund budgets be cut. In both departments, the same work is now being done with fewer staff. This outcome will be extended through the future restructuring efforts to other areas. The internal restructuring that has been done so far has been achieved according to the principles outlined in this strategy.

### **Housing and Community Development (HCD)**

HCD is approaching its major projects by working with **collaborative, inter-disciplinary, inter-divisional teams**. This approach has allowed us to reduce staff, focus on higher leverage projects and to stay focused on those projects. The department aligned our project work and approach to match the current conditions we are facing in our areas of focus.

This approach was accomplished by examining current housing and economic conditions and identifying opportunities that would emerge as a result of stimulus funding. We also considered new programs that were recently approved by Council and evaluated how best to implement these programs within existing resources. The best **measure of outcomes** in our Department includes:

- a) The number of high wage jobs created. These are tracked through the contracts we execute in economic development as well as when a business expands or locates in Santa Fe;
- b) Business retention – the number of businesses that stay in town rather than relocate or go out of business;
- c) The number of households who purchase homes through one of our programs;
- d) The number of households who receive down payment assistance;
- e) The number of rental units created that provide housing for formerly homeless and other special population households;
- f) The number of homes and/or lots purchased out of foreclosure;
- g) The number of loans executed for the energy efficient loan program;
- h) The number of renewable energy projects implemented in City buildings and the resulting reduction in utility use;
- i) The number of permits submitted to meet the residential Green Building Code;
- j) The implementation of the Sustainable Santa Fe Plan;
- k) The initiation of the master plan for St. Michaels Boulevard. This master plan will include road improvements to be completed by the city as well as create a template for future redevelopment of both housing and business in this corridor.

#### **HCD RESTRUCTURE:**

- Work across division lines
- Measurable outcomes
- Flexible staff
- Inter-division, inter-disciplinary teams

*The first priority was to focus on critical projects and programs. These included:*

- a) Annexations;
- b) Adoption of the Northwest Quadrant Master Plan;
- c) Installation of PV at selected City sites;

- d) Completion of the energy audits and installation of changes needed to reduce utility use;
- e) Initiation of a Master Plan for St. Michaels Drive;
- f) Implement the Neighborhood Stabilization Program (NSP). Federal funding will be used to acquire existing housing in foreclosure
- g) Work with Homewise to continue the Employer Assisted Housing/Workforce Housing.
- h) Continue to implement the Economic Development Implementation Strategy.
- i) Lay-offs have been occurring from some local businesses and these employees are seeking jobs in coastal cities or ABQ. We are working on a program to capture the talent that is let go as a result of these lay-offs and keep them in Santa Fe by identifying projects that locals can work on, encouraging them to start a business or locate more traditional employment, as their interests allow.
- j) Continue the Green Collar job training program will continue and we are seeking stimulus funding to expand this effort.
- k) Continue to work on campaign to promote business and individual spending in Santa Fe through the “Buy Into It” Campaign.
- l) The Green Building Block Grants have been funded. This sorely needed source of revenues jump started the Renewable Energy Programs for City Projects.
- m) Continue work on the Broadband Initiative, including preparation of a joint program with the SFCC, the County and Indian School.

To continue operations in HCD, an assessment of current staff resources were mapped this against the projects under consideration, as well as programs requiring on-going management. Through this process we realized that the number of new homes being built was down substantially as a result of builders not building market rate housing. As a result, we asked **staff to be flexible** and assigned Housing Staff to assist in with implementing the Green Building Code and asked the Housing Planner to oversee the implementation of the NSP. In addition, Housing Staff were assigned to assist with some Economic Development Initiatives until the Economic Development Specialist was hired and trained.

In addition, an inter-divisional team was formed for the St. Michael’s project that draws staff with different areas of expertise and insights in order to develop a stronger end product. Smaller teams work together in the Department on an as-needed basis. For example, the Economic Development Division initiated the agreements for the Employer Assisted Housing Program with Homewise, then passed the baton to the Housing Division which is managing the contract because of the other contracts it has with this entity. Long Range Planning staff will begin working on the implementation of the Sustainable Santa Fe Plan.

### **Public Works (PW)**

During the FY 2009/2010 budget process the Public Works Department was restructured to improve efficiency and accountability. Also, the Property Control Division,

previously part of the Administrative Services Department, and the Recreation Division and Genoveva Chavez Community Center were added to Public Works.

To improve the quality of streets city wide the Streets Division was added to the Engineering Division. This change **increases accountability** by making the Division responsible for designing and constructing streets also responsible for maintenance. This change has led to improved communication and to more effective and efficient response to constituent concerns regarding street maintenance and drainage. It will also lead to improved street design in an effort to minimize future maintenance costs.

To improve the quality of city facilities, the Facilities Division was created which includes Facilities and Facilities Maintenance. This change also **increases accountability** by making the Division responsible for designing and constructing facilities also responsible for maintenance. This change has improved communication and led to improved system training on new facilities.

Another change involved thinking **across division lines** and aligning staffing in order to increase efficiency. The building maintenance staff from the GCCC and Community Convention Center facilities was added to the Facilities Maintenance Section of the Facilities Division. These changes have improved communication and have already proved to be more efficient. In one instance recently, a list of maintenance work orders that in the past would have taken the two GCCC building maintenance workers as much as two weeks to complete previously was accomplished in hours.

To improve the quality of service, eliminate redundant effort, and close the gap between operating costs and revenues the GCCC and Recreation Divisions were combined. This streamlining is also intended to improve the outdoor recreation and healthy lifestyles efforts in the City. It also **increased efficiency** and allowed an Assistant Division Director and Building Maintenance Manager position to be eliminated. In addition, the league and sport section from the GCCC and previous Recreation Division were combined and an outdoor and healthy lifestyle section has been created.

After years of planning, computer software and hardware to provide **better measurement** by improving accounting accuracy has been installed and is operating. This addition will allow for improved tracking of revenues and usage. This information will be used in efforts to develop efficient staffing levels, hours of operation, and marketing strategies.

By thinking across division lines and **out of the traditional silos** of the City, the creation of one division for recreation has led to opportunities for pool staffing. In the past

**PW RESTRUCTURE:**

- Increased accountability
- Worked across division lines
- Increased efficiency
- Provided better measurement
- Got out of traditional silos

lifeguards were assigned to only one pool. Now based on pool usage and required lifeguard coverage staff is assigned as needed.

### **B. Committee and Sub-committee Work on Restructuring**

The restructuring committee has met intermittently since February 2009 (regularly since June 2009). The group's main purpose has been to provide direction and strategy on the restructuring process. Initially, the group worked both on budget cuts and on the larger restructuring strategy.

Two sub-committees were initially formed one to guide the overall restructuring process and another to work on a furlough plan. Once the furlough plan was completed, four additional sub-committees were formed in order to address the different facets of the restructuring plan.

- ❖ Group 1 – tasked with developing a deep understanding of the organization and making recommendations on processes to reform.
- ❖ Group 2 – tasked with communicating to employees the details and developments on restructuring
- ❖ Group 3 – tasked with working with City staff to integrate the restructure plan with budget preparation for 2010/2011. This group has yet to be activated.
- ❖ Group 4 – tasked with big picture understanding and 30,000 foot view of the organization and where it is going. Group 4 held a one-day study session in which many different organizational structures were considered. In all cases the same core services emerged as priorities. Also, substantial reorganization was considered in the form of creating five super-departments. The group concluded this does not lead to substantial cost savings.

### **C. City Department and Division Directors' Meeting**

On February 27, 2009, a workshop with all city division and department directors as well as members of the restructuring team was held. The purpose of the workshop was to engage members of the city's management team in discussions about the City's fiscal condition and creating solutions for the future. Approximately 50 members of the management team attended, including most department and division heads.

Attendees participated in collectively envisioning the organization of the future. They also were encouraged to anonymously submit (as many as desired) ideas for what the organization should: Keep, Drop or Change. The ideas from this meeting were initially used to guide some of the 2009-10 budget process and have been utilized for this plan and the Restructuring Team's work.

### **D. Research on Other Restructuring Efforts**

Developing the restructuring plan included a review of steps taken in other communities that were similar to ours. In all cases, other communities that have completed this process noted that having a plan which was clearly articulated throughout the organization, along with measures to support staff who may be moved to a different area or work under a different job description had to be included as part of this process.

Organizational charts of other comparable cities were also reviewed during the process.

Some of the other cities which were examined are (please see executive summaries in appendices):

- North Las Vegas, Nevada
- Bellingham, Washington
- Sunnyvale, California

#### **PART 4: NEXT STEPS AND ACTION ITEMS**

Two primary areas of focus have been identified throughout the restructuring efforts.

##### *Reorganization*

1. A review of the City's organizational and hierarchical structure for all departments and divisions was completed. As part of this review, staff discussed the potential vacancies that might occur due to retirement and also considered the impact of forming "super-departments" as a means to achieve greater efficiencies and cost savings. One conclusion from this work is that a large-scale reorganization may not result in greater efficiency or effectiveness. The experience in HCD and Public Works, two departments with recent reorganizations, revealed that it takes time following a reorganization to work and train staff. As a result of this experience, it was determined that the upheaval created in a large scale reorganization would require a great deal of time and energy and may result in poorer performance until staff adjusted to the new management structure and expectations. Instead, reorganizing slowly, according to function and around customers in order to achieve savings over time is recommended at this time. This would occur gradually as positions are refilled at lower pay scales and/or reclassified to more appropriate job titles.

##### *Process Improvements*

2. Process improvements focuses on certain functions the City applies to get things done, such as hiring and contract approval. This area was consistently cited as the first, best place to create efficiencies. Restructure participants had many ideas for process improvements and believe the majority of savings will be realized through this type of streamlining.

#### **A. Peer Evaluation Process**

To address the specific reforms to be implemented in both organizational and process areas staff is recommending a process of peer evaluation.

Small, multi-disciplinary teams will be selected by the City Manager and charged with reviewing city processes and job functions across the organization. They will be asked to look for opportunities to combine functions and achieve the same level of service in a more efficient manner. Teams will also be formed to review and critique internal processes, like contract approval, purchasing and hiring, and asked to design more efficient methods.

These teams will be trained to perform the peer evaluation and to make recommendations for action that will meet the mission, values and desired outcomes outlined in this strategy. These recommendations will be presented to the City Manager. Recommendations with policy implications will be presented to the Finance Committee for consideration.

For consistency, some person(s) will be asked to be on all peer review teams. Peer Reviewers will be briefed with the information from the management team meeting (February 2009 with Department and Division heads) and all other relevant material from the Restructuring Committee. At a one day session (see timeline below) they will be trained on information gathering techniques and approaches. They will be asked to:

- ask non-leading questions
- to look for 'low-hanging fruit'
- to identify measures for the work being performed
- to draw out service priorities from each manager and possible service reductions

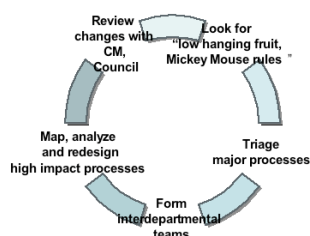
Team members will interview staff throughout the organization and prepare a set of recommendations based on these interviews as well as a review of the mission, values and methodology in this restructuring strategy. They will also be asked to answer the following key questions for each area being evaluated:

- What function is being performed
- Why is this function necessary? (how does it add value to Santa Fe?)
- Who is it being performed for?
- How can it be measured?

The teams will be asked to look at all recommendations through the following values filters/questions:

- Does it increase efficiency?
- Does it add value to the customer?
- Is it worth the trouble of making a change?
- Does it leverage areas/functions that are working well?
- Is it measurable qualitatively or quantitatively?
- Does it make sense?

### Peer Review Process





**Timeline for Peer Evaluation:**

Recommendations made by the peer review teams will be presented to the Finance Committee according to the timeline below:

By November 1, 2009 – Peer review teams formed to potentially include AFSME, Police and Fire Union representation, managers and non-management staff.

November 2009 – One day training for peer review teams

December 2009 – Peer review process begins with ASD and HR, then CVB and CSD

January 2010 – Peer review process continues with Public Utilities, Land Use, City Manager/City Clerk and City Attorney

**Presentations to Finance Committee:**

January 4, 2010 – ASD and HR

January 19, 2010 (Tuesday meeting) – CVB and Community Services Department

February 1, 2010 – Public Utilities - Water, Wastewater, Solid Waste

February 15, 2010 – Land Use and City Manager/City Clerk/City Attorney

**Administrative process review**

The City Council's 2006-2007 strategic initiatives focused attention on improving administrative support and management systems. In addition a workshop where Department and Division Directors identified areas that would help them be more efficient identified administrative systems as an important focus of change efforts. This was echoed in many discussions of the restructuring team. The combination of Finance and Administrative Services and the installation of the new finance, payroll and HR system provide the opportunity to move forward with changes in this area.

Throughout the City managers and employees express frustration with the amount of effort required to amend the budget, hire and classify staff, complete contracts and obtain information technology support or equipment and buy goods and services. As part of the restructuring effort, Administrative and Financial Services and Human Resources will work with an interdisciplinary team of customers to identify those processes that are likely to have the greatest impact on efficiency. The team will then map and redesign the process. In addition both departments will conduct the peer review of department operations planned for other City Departments.

Process changes often interact with limits or controls in policy manuals, resolutions or the City Code. The team will report to the City Manager and the Finance Committee on proposed changes to processes and will recommend changes in underlying code sections or policies that could improve processes while preserving important controls. In many cases delegation of authorities will help limit the amount of time needed to move transactions through the systems to secure as many as half a dozen signatures.

The process review will extend beyond the boundaries of the administrative support departments. These major businesses processes affect all of the City operations and the review will look at the whole process. It will be important for peer/customers who use the processes to be part of the review. The final product will include service providers, customers and the City Council in shaping changes. The City Manager and Council will be critical in defining the priorities of control versus service when there are conflicts.

An element of major process change that simplifies and speeds results will involve a discussion between staff and the Committee about trust and accountability. Entities that allow more judgment and less process control often find that a new balance between autonomy and accountability needs to be established. Many systems with high control requirements produce a culture where strict observance of rules is substituted for judgment and results. The limits imposed by the rule system or by detailed management by the City Manager or the City Council provide convenient excuses for why things cannot get done. Shifting to a culture of managed performance and measured results will require a shift from rules and control to succeed.

## **B. Processes to Streamline**

The Group 1 sub-committee for the Restructuring Team was tasked with developing a deep understanding of the organization. To that end, Group 1 highlighted the three areas which most consistently arise and the main problems/reasons for streamlining. Those are as follows:

IT Support - don't tell us what we CAN'T do, tell us how we can

- Finalize the electronic payroll.
- Personnel Action Forms - should be electronic
- E1 system functioning smoothly
- Internal customer service
- IT procurement

HR

- Employee and management staff development training
- Hiring process
- Electronic personnel processes
- Classification and compensation system

Finance

- ▶ Hold Department and Division Directors accountable for budgets and allow for:

Relaxing some of the procurement rules for small purchases

- Layers of authorizing
- Routine stuff to be addressed at the department level

- Budget processes/systems
- Increase management accountability
- Outsourcing considerations
- Contracting procedures and administration

**C. Other Committees:**

Big Picture – The City Manager will continue to consult with a sub-committee on the big picture of the restructuring strategy.

Worker Flexibility – A sub-committee will be formed to identify and pre-empt any problems which may arise from worker flexibility such as changing jobs or taking on different responsibilities.

**D. Budget Preparation for 2010/2011:**

Budget preparation for the next fiscal year will be integrated with the peer evaluation process department by department. Budgets will also be prepared according to the service priorities detailed within this restructuring plan.

## **APPENDICES**